

Message Text

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ACTION OES-06

INFO OCT-01 ARA-06 ISO-00 L-03 COME-00 EB-08 DODE-00 PM-04

TRSE-00 INT-05 DLOS-06 SAL-01 CIAE-00 INR-07 NSAE-00

SSO-00 INRE-00 CG-00 DOTE-00 PRS-01 USIE-00 PA-01

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-----251417 043598 /47

O 251245Z FEB 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 0260

C O N F I D E N T I A L BRASILIA 1492

DEPT PASS COMMERCE FOR BEASLEY

EO 11652 GDS

TAGS EFIS BR

SUBJECT: FIRST REPORT FROM USDEL US/BRAZIL SHRIMP NEGOTIATIONS

1. FIRST DAY OF TALKS COVERED VIRTUALLY ALL POINTS OF MAJOR CONCERN TO BOTH SIDES. INITIAL BRAZILIAN POSITIONS ON SEVERAL MAJOR ISSUES WERE AT SOME DISTANCE FROM WHAT WE CAN ACCEPT, BUT WE FOUND THEM REASONABLY WILLING TO SEEK ACCOMMODATION WHEN INFORMED OF FACTS OF US POSITION AND REASONING BEHIND THEM. GOB OPENING POSITION IS REASONABLE GIVEN HISTORY OF THIS FISHERY RELATIONSHIP.

2. AS EXPECTED, BRAZILIANS WERE QUICK TO EMPHASIZE THE TERMINAL NATURE OF THIS YEAR'S AGREEMENT, AND EQUALLY PROMPT IN BRINGING OUT THE JOINT VENTURE CONCEPT. AS THEY SEE 1977, IT IS THE YEAR OF THE PHASE OUT OF US FLAG OPERATIONS, AND THE TRANSITIONAL PERIOD TO COOPERATIVE SCHEMES. THEY SOUGHT TO DIVORCE THIS NEGOTIATION FROM GENERAL LOS PRINCIPLES AND INDICATED FULL UTILIZATION NOT RPT NOT PRINCIPAL PURPOSE OF NEW AGREEMENT.

3. INITIAL BRAZILIAN PROPOSAL ON NUMBER OF VESSELS TO BE PERMITTED ACCESS TO AGREEMENT AREA WAS 40, WHICH IS THE CONFIDENTIAL

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SAME POINT AT WHICH THEY LEFT US IN 1975 NEGOTIATIONS. WE BELIEVE, HOWEVER, THAT THERE IS FLEXIBILITY IN THIS AREA, DEPENDENT PARTLY UPON LEVEL OF FEES BRAZILIANS CAN ANTICIPATE. WHILE BRAZILIANS INITIALLY STATED THAT FEE LEVEL COULD IN NO CASE BE LESS THAN 1976, THEIR DELEGATION LEADER LATER SAID THAT REVENUE CONSIDERATIONS WERE NOT PARAMOUNT, AND IT APPEARS THAT THERE MAY BE SOME GIVE IN THIS AREA AS WELL.

4. IT IS CLEAR THAT MAJOR SUBSTANTIVE DIFFERENCE TO BE WORKED OUT IS NUMBER OF VESSELS. WE HAVE INFORMED BRAZILIANS THAT AT A LEVEL OF 40 OR ANYTHING IN THE NEIGHBORHOOD FISHERY WOULD BECOME ECONOMIC LIABILITY AND US INDUSTRY COULD BE EXPECTED TO PULL OUT. WE HAVE ALSO INDICATED THAT ONEROUS FEES COULD HAVE SIMILAR EFFECT, TO THE DETRIMENT OF THEIR LONG TERM OBJECTIVE. THIS INFORMATION APPEARED TO SURPRISE THEM SOMEWHAT. BRAZILIANS HAD BEEN UNDER THE IMPRESSION THAT PRESSURE ON US INDUSTRY MIGHT ACT AS POSITIVE FORCE TO ENCOURAGE PARTICIPATION IN JOINT VENTURES. WE INFORMED THEM THAT THE CONTRARY WAS TRUE, AND THAT THERE WOULD BE NO Surer WAY TO DRIVE US INDUSTRY AWAY FROM COOPERATION THAN THIS TYPE OF SQUEEZE.

5. BRAZILIANS APPEAR RECEPTIVE TO REDRAFT OF PREAMBLE AND ARTICLE VI, AS REQUIRED BY US POSITION. WE BELIEVE THEY WILL ALSO ACCOMMODATE US IN OUR APPROACH TO FEE PAYMENTS, LICENSING PROCEDURES AND ENFORCEMENT FEES AND RESPONSIBILITY.

6. AS VESSEL NUMBER ISSUE STOOD AT ADJOURNMENT ON FEBRUARY 24, USDEL IS TO CONSULT WITH US INDUSTRY PRIOR TO FEBRUARY 25 SESSION TO TRY TO DETERMINE LEVEL OF VESSELS BELOW WHICH FISHERY WILL BECOME UNECONOMIC TO THEM. WE STRONGLY ANTICIPATE THAT THIS LEVEL WILL CONTINUE TO BE 100 VESSELS.

7. GIVEN PROGRESS ACHIEVED AT INITIAL SESSIONS, THERE IS POSSIBILITY THAT AGREEMENT ON ALL SUBSTANTIVE ISSUES CAN BE REACHED BY FRIDAY EVENING FEBRUARY 25. ITAMARATY IS UNDER CONFIDENTIAL

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SOME PRESSURE TO FINISH UP BECAUSE OF PRESSING BUSINESS COMING UPON THEM BEGINNING OF NEXT WEEK.

8. ATMOSPHERE IS BUSINESSLIKE AND TO THE POINT, WITH NO APPARENT SPILLOVER FROM OTHER DIFFICULT BILATERAL ISSUES. CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHRIMP, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRASIL01492
Document Source: CORE
Document Unique ID: 00
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Executive Order: GS
Errors: N/A
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Reference: n/a
Retention: 0
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Review Exemptions: n/a
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